

Service Date March 14, 1975

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA
* * * * *

In the Matter of the application of THE)	
WASHINGTON WATER POWER COMPANY)	DOCKET NO. 6278
for an order authorizing the issuance)	
of 30.000 shares of common stock, no)	ORDER NO. 4180
par value.)	

On February 12, 1975, The Washington Water Power Company, hereafter called the applicant, filed with this Commission its verified application pursuant to Sections 70-117.1 to 70-117.6, RCM 1947, requesting an order directing authorization of the issuance and sale to the employees of the applicant under a stock purchase plan, of 30,000 shares of presently authorized and un-issued common stock, no par value. The application with respect to this requested authorization is supported by exhibits and data in accordance with the prescribed rules of the Commission governing the authorization for the issuance of securities for electric or gas utilities operating as public utilities in the State of Montana.

It is alleged in the application that the 30,000 shares of common stock will be limited to that number of shares, which, when multiplied by the offering price per share, will aggregate an amount not to exceed \$500,000. It is further alleged that the present offering price of such shares is \$16.50, or 95% of the

mean price on the New York Stock Exchange on the day that the offering is commenced, whichever price is greater. The offering will last for a period of ten (10) days, excluding Saturdays, Sundays and legal holidays, and will commence when the applicant is advised by its general counsel that all necessary regulatory approvals have been obtained.

It is further alleged in the application that the proceeds to be received from the issuance and sale of said common stock will be used to meet the company's unspecified (in the application) construction program.

Having fully considered the application and all the files and records pertaining thereto on file with the Commission, and being fully advised in the premises, the Commission makes the following:

FINDINGS OF FACT

1. That the applicant, The Washington Water Power Company, is a corporation organized and existing under the laws of the State of Washington and duly authorized to transact business in the State of Montana.

2. That the applicant is operating as a public utility as defined in Section 70-103, RCM 1947, and as such is engaged in furnishing electric service in the State of Montana.

3. That the Commission has jurisdiction over the subject matter of said application under Sections 70-117.1 through 70-117.6, RCM 1947.

4. That the price per share for the common stock issued hereunder will be \$16.50 per share, or 95% of the mean price on the New York Stock Exchange on the day upon which such offering is commenced, whichever is greater.

5. That the securities transaction proposed by the applicant, as hereafter authorized, will be for a lawful purpose and is consistent with the public interest: that same is necessary or appropriate for and consistent with the proper performance by the applicant of service as a public utility, and that the aggregate amount of the securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of the applicant.

6. That public notice of the filing of said application and a formal hearing thereon is not required by 70,117.2, RCM 1947, read in conjunction with 82-4203(3), RCM 1947, but is permissive and this Commission is researching the legality of present noticing and hearing procedures and will shortly propose a rule regarding noticing and hearing on security issuance matters which applicant and other utilities should take note of. The application should be approved as hereafter ordered.

CONCLUSION

The Commission concludes that the application of The Washington Water Power Company should be granted as hereafter ordered.

ORDER

NOW, THEREFORE, at a session of the Public Service Commission of the State of Montana, held in its offices at 1227 11th Avenue, Helena, Montana, on March 12, 1975, there being present Chairman G. E. Bollinger and Commissioners P. J. Gilfeather, Thomas G. Monahan, James R. Shea and George Turman, there regularly came before the Commission for final action, the matters and things in Docket No. 6278, and the Commission being fully advised in the premises;

IT IS HEREBY ORDERED that the application of The Washington Water Power Company for an order authorizing the issuance of 30,000 shares of the presently authorized and un-issued common stock, no par value, such number of shares to be limited to that number, which, when multiplied by the offering price per share, will aggregate an amount not to exceed \$500,000, to its employees under a stock purchase plan, be, and the same is hereby approved, subject to the provisions of the order.

Notwithstanding any authorization of the applicant or others to allow purchase of more than 200 shares, an employee may not elect to purchase more than two hundred (200) shares of common stock authorized under this offering.

IT IS FURTHER ORDERED that the price to be received by The Washington Water Power Company for said common stock shall be \$16.50 per share, or 95% of the mean price on the New York Stock Exchange on the day that the offering is commenced, whichever price is greater.

Neither the issuance of securities by The Washington Water

Power Company pursuant to the provisions of this order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed hereunder.

The approval of this stock offering shall not be construed as precedent to prejudice any future action of this Commission with regard to any security issue.

Issuance of this order does not mean acceptance of the applicant's exhibits or other material accompanying the application for any purpose other than the issuance of this order.

IT IS FURTHER ORDERED that within 30 days after the offering date, applicant file with this Commission a list of those electing to purchase under the plan, giving names of those electing to purchase, official title, yearly salary, number of shares elected to purchase and whether the stock is to be purchased by payroll deduction or other method. If the stock is to be purchased by other method, indicate the details of that purchase.

Indicate the price at which the stock is under option.

When the applicant files for renewal of this plan or order or on July 1, 1977, whichever date is sooner, applicant shall also file with this Commission information indicating the above information and in addition in columns opposite each employee's name, entries indicating (1) (a) the date on which the option was exercised, (b) the top price for which the optioned stock

sold on the day the option was exercised, (c) the top price for which the stock had sold between the time the option was exercised and the time the report is submitted, or (2) if the stock was sold by the employee after the option was exercised, the profit made by the employee on the transaction.

An employee who fails to provide this requested information shall not be eligible to participate in any future employee stock purchase plans authorized under the jurisdiction of this Commission, Unless this information is provided completely by the applicant and accompanied by an affidavit attesting to the truth of the information, any further stock purchase plan requested by the applicant will not be authorized by this Commission.

Ordered by a 3-2 vote with Commissioners P. J. Gilfeather and James R. Shea dissenting.

DONE IN OPEN SESSION at Helena, Montana, this 12th day of March, 1975.

G.E. BOLLINGER, Chairman

THOMAS G. MONAHAN, Commissioner

GEORGE TURMAN, Commissioner

ATTEST:

GAIL E. BEHAN
Secretary
(Seal)

DISSENT

Commissioner Shea wished it to be recorded that he dissented partly because he believed the legality was questionable of not noticing the applicant's petition and of not providing interested parties an opportunity for hearing.

JAMES R. SHEA, Commissioner
Dissenting

ATTEST:

GAIL E. BEHAN
Secretary
(Seal)